

CITY OF

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ONTARIO



ONTARIO

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November 7, 2018

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JAMES R. MILHISER
TREASURER

Chairman Ajit Pai
Federal Communications Commission
425 12th Street, SW
Washington, DC 20554

**RE: Opposition to FCC Cable Franchise Fee Deductions Proposed Rule
(MB Docket No. 05-311)**

Dear Chairman Pai:

As the mayor of the City of Ontario, California, I would like to express the City's opposition to the Federal Communications Commission's (FCC) Second Further Notice of Proposed Rulemaking (FNPRM) that would allow cable companies to deduct the fair market value for a wide range of public benefits from their franchise fee obligations, including public, educational, and government (PEG) channel capacity and transmission. This proposed rulemaking directly threatens to limit, if not eliminate, PEG channels and the fair use of public rights-of-way, not only in Ontario but in communities throughout the state of California and the country.

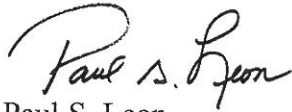
In 2006, the California State Legislature enacted the Digital Infrastructure and Video Competition Act, making the California Public Utilities Commission (CPUC) the sole franchising authority. The measure kept local government revenues intact, protected local public rights-of-way, and ensured a suitable amount of capacity on cable networks was preserved for PEG access channels. The FCC's FNPRM adopts none of these safeguards. In short, the FNPRM fails to exempt states with centralized franchising authority and prohibits local governments from regulating the facilities and equipment used by cable operators in the provision of non-cable services, such as those provided by the wireless communications industry. Under this proposal, cable companies could potentially install "small wireless facilities" with no public input and without having to meet any aesthetic or equipment size requirements aimed at mitigating blight and preserving community character.

The FNPRM's reckless preemption of local jurisdiction, moreover, is likely to result in cable companies using local public's rights-of-way as they see fit, allowing these highly profitable

private enterprises to avoid having to pay fair compensation to local governments for the use of publicly funded assets. The net effect of the FNPRM will be a significant reduction of PEG services, a sharp decline in franchise fee revenues, and the elimination of local discretion over cable and non-cable facilities. None of this serves the public interests.

Instead of preempting state and local jurisdictions as outlined by the FNPRM, the City of Ontario urges the FCC to revisit this initiative with the objective of ensuring the interests of all key stakeholders, including municipalities, are represented and protected. Thank you for your consideration of our concerns.

Sincerely,

A handwritten signature in black ink, reading "Paul S. Leon". The signature is fluid and cursive, with the first name "Paul" being the most prominent.

Paul S. Leon
Mayor

cc: FCC Commissioners
Senator Dianne Feinstein
Senator Kamala Harris
Representative Norma Torres
League of California Cities